

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5607

ANSWERED ON:07.04.2017

Expenditure under CSR

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Will the Minister of FINANCE be pleased to state:

(a) the details of amount spent under Corporate Social Responsibility (CSR) by the nationalised banks during the last three years, bank and State/UT-wise; and

(b) the number of public representatives made a demand for nationalised banks to make expenditure under CSR for development of their areas during the year 2016-17 and the reaction of the banks in this regard, bank-wise?

Answer

The Minister of State in the Ministry of Finance

(a) & (b): The Public Sector Banks [except Industrial Development Bank of India (IDBI) and Bharatiya Mahila Bank (BMB)] are not covered under the Companies Act and hence Corporate Social Responsibility (CSR) policy is not applicable on the banks.

The details of funds allocated by IDBI and BMB under CSR for the last three years is given below:

Bank Name 2014-15 2015-16 2016-17

IDBI 23,43,82,747 9,44,44,790 4,16,95,604

BMB 3,33,048 6,04,500 NIL

Total 23,47,15,795 9,50,49,290 4,16,95,604

IDBI has received six requests to undertake various activities under CSR in FY 2016-17 and taken action keeping in view the Bank's CSR Policy, CSR focus areas and CSR Budget. As per RBI guidelines, all Scheduled Commercial Banks including PSBs are allowed to extend voluntary contribution / donation during a financial year, aggregating up to 1% of their published profit for the previous year.

RBI vide its circular dated December 20, 2007 has issued guidelines on Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting – Role of Banks. RBI advised banks to put in place a suitable and appropriate plan of action towards helping the cause of sustainable development, with the approval of their Boards. Further, it has advised banks / financial institutions to keep themselves abreast of the developments on an on-going basis and dovetail / modify their strategies / plans etc. in the light of such developments.

All Scheduled Commercial Banks including PSBs are allowed to extend voluntary contribution / donation during a financial year, aggregating up to 1% of their published profit for the previous year. In case of loss making banks, they can make donations totaling Rs. 5.00 lakhs only in a financial year. Such spending on donations by banks is voluntary in nature subject to respective Board's approval.